



G. THOMAS SURTEES
Commissioner

State of Alabama Department of Revenue

(www.ador.state.al.us)

50 North Ripley Street
Montgomery, Alabama 36132

CYNTHIA UNDERWOOD
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

May 18, 2005

TO: ALL PERSONS, FIRMS, AND CORPORATIONS making sales at retail and purchasing tangible personal property for use, storage, or consumption in the **Town of Hobson City**, Alabama, and its police jurisdiction (located in Calhoun County).

Sections 11-51-200, et seq., Code of Alabama 1975, authorize and empower municipalities to levy a true sales and use tax identical to the State Sales and Use Tax Laws except for the rates of tax and require the Alabama Department of Revenue upon request of the municipality to collect the tax.

As authorized by Law, the governing body of the Town of Hobson City adopted Ordinance No. 2005-77 increasing the rates of Hobson City sales tax and levying a use tax **effective June 1, 2005**. The use tax rates are the same as the increased sales tax rates indicated below:

	<u>OLD RATES</u>	<u>NEW RATES</u>
General Rate	2%	4%
Admissions to places of amusement and entertainment.....	2%	4%
Retail selling price of food for human consumption sold through vending machines	2%	4%
Net difference paid for machines, machinery and equipment used in planting, cultivating, and harvesting farm products.....	1%	1%
Machines and parts and attachments for machines used in manufacturing tangible personal property ...	1%	1%
Net difference paid for all automotive vehicles, truck trailers, semi-trailers, and house trailers	1%	1%

If sales are made and delivered to consumers outside the corporate limits of the Town of Hobson City but within the police jurisdiction, the rates of tax are one-half the new rates shown above.

The Law requires that the Town of Hobson City tax be collected from your customers in the same manner as the State Tax. When you file and pay electronically, the Town of Hobson City sales and use taxes are to be included on the electronic city/county tax return assigned to you (City and County Tax Return, form 9501). Simply enter the gross sales/purchases and deductions, and all calculations will be done automatically for you. You may file your Hobson City sales and use taxes online through the Internet at www.ador.state.al.us/salestax/efiling.html, or through the telephone by calling toll free 1-800-828-1727. Telephone-filers should use Locality Code 9687.

Please direct all questions regarding the Town of Hobson City sales and use taxes to this office.

ALABAMA DEPARTMENT OF REVENUE
Sales, Use & Business Tax Division
P. O. Box 327710
Montgomery, Alabama 36132-7710
(334) 242-1490